



DEPARTMENT OF DEFENSE
Defense Contract Management Agency

INSTRUCTION

**Recruitment, Relocation and Retention Incentives,
Superior Qualification Appointments, Student Loan Repayments, and
Annual Leave Accrual Credit for Prior Non-Federal or
Certain Military Service**

Human Capital Directorate
OPR: DCMA-HCP

DCMA-INST 628
November 14, 2016
Change 1, April 30, 2018

1. PURPOSE. This Instruction:

- a. Reissues DCMA Instruction (DCMA-INST) 628 “Recruitment, Relocation and Retention Incentives, Superior Qualification Appointments and Student Loan Repayments,” (Reference (a)) to update policy, reformat the instruction, and incorporate policy for Annual Leave Accrual Credit for Prior Non-Federal or Certain Military Service.
- b. Establishes policy and authorities, assigns responsibilities, and provides management with recruitment and retention tools that will assist in attracting, recruiting, and retaining a high-performing and diverse workforce representative of the public service.
- c. Is established in compliance with DoD Directive 5105.64, “Defense Contract Management Agency (DCMA)” (Reference (b)).

2. APPLICABILITY. This Instruction applies to all DCMA activities that offer recruitment, relocation, and retention incentives, superior qualification appointments, student loan payments, and credit for prior service to determine annual leave.

3. MANAGERS’ INTERNAL CONTROL PROGRAM. In accordance with DCMA-INST 710, “Managers’ Internal Control Program” (Reference (c)), this Instruction is subject to evaluation and testing. The process flow is located on the Policy Resource page.

4. RELEASABILITY – UNLIMITED. This Instruction is approved for public release.

5. LABOR CODE. Located on resource page.

6. RESOURCE PAGE. <https://360.dcm.mil/sites/policy/HC/SitePages/628r.aspx>.

7. EFFECTIVE DATE. By order of the Director, DCMA, this ~~Instruction modification is effective March 22, 2018 and all applicable activities shall be fully compliant within 60 days from this date~~ *change is effective immediately.*

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Executive Director
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SUMMARY OF CHANGES

This Instruction has been modified to remove the requirement to provide proof of employment offer from a nonfederal organization, paragraphs 3.12.1.2 and 3.12.2.

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REFERENCES

- (a) DCMA-INST 628, “Recruitment, Relocation and Retention Incentives, Superior Qualification Appointments, and Student Loan Repayments,” December 3, 2013 (hereby canceled)
- (b) DoD Directive 5105.64, “Defense Contract Management Agency (DCMA),” January 10, 2013
- (c) DCMA-INST 710, “Managers’ Internal Control Program,” April 21, 2014
- (d) DoD Instruction 1400.25, V575, DoD Civilian Personnel Management System: “Recruitment and Relocation Bonuses, Retention Allowances, and Supervisory Differentials,” April 6, 2009
- (e) Part 575 of Title 5, Code of Federal Regulations, “Recruitment, Relocation, and Retention Incentives; Supervisory Differentials; and Extended Assignment Incentives”
- (f) DoD 7000.14-R, DoD Financial Management Regulation, Volume 8 and Volume 5.
- (g) DoD Memo, “Implementation of Enhanced Retention Incentives Authorities,” February 5, 2008 (Resource page)
- (h) Section 531.212 of Title 5, Code of Federal Regulations, “Superior Qualification and Special Needs Pay-Setting Authority”
- (i) Part 731 of Title 5, Code of Federal Regulations, “Suitability”
- (j) DoD Memo, “Implementation of Recruitment, Relocation, and Retention Incentives,” September 21, 2006 (Resource page)
- (k) DoD Instruction 1400.25, V531, DoD Civilian Personnel Management System: “Pay Under the General Schedule,” May 18, 2009
- (l) DoD Memo, “Department of Defense (DoD) Student Loan Repayment Program,” September 30, 2004 (Resource page)
- (m) DoD Instruction 1400.25, V631, DoD Civilian Personnel Management System: “Credit for Prior Non-Federal Work Experience and Certain Military Service for Determining Leave Accrual Rate,” August 31, 2009

CHAPTER 1

POLICY

1.1. POLICY. It is DCMA's policy that:

1.1.1. Incentives are not an entitlement but a tool available to attract and/or retain a high quality, skilled, and productive civilian workforce. These incentives include the use of recruitment incentives, relocation incentives, retention allowances, repayment of student loans, superior qualification appointments (Advanced In-Hire Rates), and credit for prior service. Total compensation package should be assessed before offering incentives to include intangible benefits of federal civilian service.

1.1.2. The decision to pay an incentive must be made prior to the effective date of the action placing the selectee into the position for which the incentive is being offered.

1.1.3. All incentives shall comply with the Office of Personnel Management, DoD, and DCMA policy guidance.

1.1.4. The following employees are ineligible for recruitment, relocation, or retention incentives:

1.1.4.1. Presidential appointees;

1.1.4.2. Non-career appointees in the Senior Executive Service; or

1.1.4.3. Employees in positions excepted from the competitive service by reason of its confidential, policy determining, policy making, or policy advocating nature.

1.2. APPROVAL AUTHORITY.

1.2.1. The Director, DCMA retains approval authority for retention incentives, repayment of student loans, superior qualification appointments (also referred to as advanced in-hire rates), and service credit for leave accrual.

1.2.2. The Director, DCMA delegates approval authority for recruitment incentives and relocation incentives to Component Heads and Region Commanders. This authority may be further delegated in writing to the Component Deputy.

1.2.3. Recruitment and relocation incentives, including the amount of such incentives, shall be reviewed and approved by a supervisor or manager, who is at a higher level than the supervisor or manager making the incentive request, unless no official at a higher level exists in the agency.

CHAPTER 2

ROLES AND RESPONSIBILITIES

2.1. EXECUTIVE DIRECTOR, HUMAN CAPITAL (HC). The Executive Director, HC defines processes, develops accountability plans that ensure Human Capital processes and operations comply with Federal merit system principles and all other regulatory requirements, reviews incentive approval requests and makes a recommendation prior to submission to the Director, DCMA to ensure that subject request is in compliance with the Office of Personnel Management, DoD, and DCMA policy guidance.

2.2. HC FIELD SUPPORT CENTER (FSC) BUSINESS PARTNER. FSC advises the approving official on soundness of incentive recommendation. The FSC business partner reviews incentive approval requests to ensure that subject request is in compliance with the Office of Personnel Management, DoD, and DCMA policy guidance.

2.3. APPROVING OFFICIAL. The approving official will ensure that the basis for all incentives is documented and maintained IAW this instruction. Approving officials will maintain records and supporting documentation to allow for tracking, review, and reconstruction of incentives. Approving officials will retain copies of the approved request package of incentives, supporting documentation, and the service agreement for a period of 3 years after the end of the service period unless a dispute has been raised regarding the agreement. If a dispute arises, packages are to be retained for 3 years from the date of resolution of the dispute.

2.4. ARMY SERVICING TEAM (AST). Under memorandum of agreement (MOA) to DCMA/HC, AST shall process all incentive actions IAW this instruction and all governing regulatory guidance ensuring that the action is in compliance with the Office of Personnel Management, DoD, and DCMA policy guidance and maintain the properly signed service agreement in the employee's electronic personnel file (eOPF).

2.5. SUPERVISORS AND MANAGERS. Supervisors or managers will ensure incentive requests are prepared and submitted for approval consistent with this instruction.

2.6. COMPONENT HEAD/ REGION COMMANDERS. Annually review incentive payments to validate or ensure timely termination of incentive payments.

CHAPTER 3

PROCEDURES

3.1. RECRUITMENT INCENTIVE. Recruitment incentives may be approved for employees appointed to their first job in the Federal Government, or reappointed after a break in service of 90-days or more, into a position that has been identified as likely to be hard-to-fill. Exceptions to the 90-day break in service requirement can be found in Part 575 of Title 5, Code of Federal Regulations (CFR), “Recruitment, Relocation, and Retention Incentives; Supervisory Differentials; and Extended Assignment Incentives” (Reference (e)).

3.1.1. There are eight criteria to consider when determining if a position is likely to be hard-to-fill. Each request should address the criterion that is applicable to the specific situation. The determination that a recruitment incentive is appropriate and the percentage of that incentive will be based on one or more of the below criteria:

3.1.1.1. The availability and quality of candidates possessing the competencies required for the position, including the success of recent efforts to recruit candidates for similar positions using indicators such as offer acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions;

3.1.1.2. The salaries typically paid outside the Federal Government for similar positions;

3.1.1.3. Recent turnover in similar positions;

3.1.1.4. Employment trends and labor-market factors that may affect the agency's ability to recruit candidates for similar positions;

3.1.1.5. Special or unique competencies required for the position;

3.1.1.6. Efforts to use non-pay authorities, such as special training, worksite alternatives, and work scheduling flexibilities, to resolve difficulties alone or in combination with a recruitment incentive;

3.1.1.7. The desirability of the duties, work or organizational environment, or geographic location of the position; and

3.1.1.8. Other supporting factors.

3.1.2. A recruitment incentive may be approved for up to 25 percent of an employee's annual basic pay which includes either locality pay or special rate supplement at the beginning of the service period. The approved percentage, not to exceed 25 percent, will be multiplied by the number of years (including fractions of a year) in the service period not to exceed 4 years. To determine the number of years in a service period, divide the total number of calendar days in the service period by 365 and round the result to two decimal places. For example, a service period covering 39 biweekly pay periods equals 546 days; 546 days divided by 365 days equals 1.50 years. The total dollar amount of the incentive will not exceed the authorized amount, which is

up to 100 percent of the employee's salary at the beginning of the service period. For example, to calculate a recruitment incentive based on a salary of General Schedule (GS)-12 step 4 with a salary of \$76, 446, including locality pay, with an approved percentage of 10 percent will be multiplied by the service period.

| Length of Service Agreement | Formula | Incentive Amount |
|-----------------------------|---|------------------|
| 6 months | $\$76,446 \times 10\% = 7644.60 \times .5 \text{ years}$ | \$3,822 |
| 1 year | $\$76,446 \times 10\% = 7644.60 \times 1 \text{ year}$ | \$7,645 |
| 1 ½ years | $\$76,446 \times 10\% = 7644.60 \times 1.5 \text{ years}$ | \$11,467 |
| 2 years | $\$76,446 \times 10\% = 7644.60 \times 2 \text{ years}$ | \$15,289 |
| 2 ½ years | $\$76,446 \times 10\% = 7644.60 \times 2.5 \text{ years}$ | \$19,112 |
| 3 years | $\$76,446 \times 10\% = 7644.60 \times 3 \text{ years}$ | \$22,934 |
| 4 years | $\$76,446 \times 10\% = 7644.60 \times 4 \text{ years}$ | \$30,578 |

3.1.3. Before receiving a recruitment incentive, the employee is required to sign a service agreement. The service agreement may not be for less than 6 months and may not exceed 4 years of employment with DCMA.

3.1.4. When necessary to make a timely offer of employment (i.e., in preparation for a hiring event), an approving official may establish criteria in advance for offering recruitment incentives to newly-appointed employees and may authorize an official who is not lower than a selectee's supervisor to use these criteria to offer a recruitment incentive (in any amount within a pre-established range) to a selectee without further review or approval.

3.2. GROUP RECRUITMENT INCENTIVE. Group recruitment incentives may be approved to target a group of similar positions (e.g., same occupational series, interdisciplinary positions, titles, or duties) identified as difficult to fill based on established criteria and applied to all newly appointed employees in the targeted group.

3.2.1. The targeted category of positions must be defined using the factors described in paragraph 3.1.1. Factors that may be appropriate include the following: occupational series, grade level, distinctive job duties, unique competencies required for the positions, and geographic location.

3.2.2. In addition to the criteria to consider when determining if a position is likely to be hard-to-fill under paragraph 3.1.1, positions may be considered likely to be hard-to-fill if OPM has approved the use of direct-hire authority for the position (or group of positions) under Section 337 Subpart B Title 5, CFR (Reference e).

3.2.3. The approving official must review each decision to authorize a recruitment incentive for a group of similar positions at least annually to determine whether the positions are still likely to be difficult to fill and certify this determination in writing.

3.3. RECRUITMENT INCENTIVE REQUEST. The request package will be forwarded through the chain of command to the FSC business partner for review and recommendation prior to submission to the approving official.

3.3.1. The following documentation must be submitted when requesting approval to grant a recruitment incentive.

3.3.1.1. Memorandum to the appropriate approving official requesting approval to offer the recruitment incentive. The memorandum must state that the position is likely to be hard-to-fill and provide a justification to support the likely to be hard-to-fill determination (i.e., previous recruitment efforts for similar positions yielded no qualified candidates, high turnover in this or similar position over the past 24 months, etc.), contain the criteria from paragraph 3.1.1. used to make the determination an incentive should be offered, detail the reasons for determining the amount and timing of the payments, and include the reasons for determining the length of the service period.

3.3.1.2. The request package must also include copies of the vacancy announcement, referral list, position description, the selectee's resume, and any other document(s) that management deems essential in supporting the incentive request. Access to the referral list and other supporting documentation may be requested by the FSC business partner during the review to support the recommendation.

3.3.2. HC will assess the incentive package for compliance with law and DoD guidance and forward to the approving official.

3.4. RECRUITMENT INCENTIVE PAYMENT. The recruitment incentive will not be paid prior to the employee's entrance on duty. Authorized payments will be made in lump sum at the beginning of the service period, in equal or variable installments, or as a final lump sum payment as stated in the signed agreement. Should the employee fail to fulfill the terms of the agreement or be removed for cause, the agency will require repayment of the incentive on a pro-rated basis.

3.5. RELOCATION INCENTIVE. A relocation incentive may be offered when the selectee is a current Federal employee who relocates to accept a position in a different geographic area, permanently or temporarily, and a determination has been made that the position is likely to be difficult to fill in the absence of the incentive and the relocation is in the best interest of the Government.

3.5.1. The employee's rating of record in the position held immediately before the move is at least fully successful or equivalent.

3.5.2. The determination to grant a relocation incentive and the percentage of that incentive must be based on one or more of the following criteria:

3.5.2.1. The availability and quality of candidates possessing the competencies required for the position, including the success of recent efforts to recruit candidates for similar positions using indicators such as offer/acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions;

3.5.2.2. The salaries typically paid outside the Federal Government for similar positions;

3.5.2.3. Recent turnover in similar positions;

3.4.2.4. Employment trends and labor-market factors that may affect the agency's ability to recruit candidates for similar positions;

3.5.2.5. Special or unique competencies required for the position;

3.5.2.6. Efforts to use non-pay authorities, such as special training, worksite alternatives, and work scheduling flexibilities;

3.4.2. 7. The desirability of the duties, work or organizational environment, or geographic location of the position; and

3.5.2. 8. Other supporting factors.

3.5.3. A relocation incentive may be approved for up to 25 percent of an employee's annual basic pay which includes either locality pay or special rate supplement at the beginning of the service period. The approved percentage, not to exceed 25 percent, will be multiplied by the number of years (including fractions of a year) in the service period not to exceed 4 years. The total dollar amount of the incentive will not exceed the authorized amount, which is up to 100 percent of the employee's salary at the beginning of the service period. For example, to calculate a relocation incentive based on a salary of GS-12 step 4 with a salary of \$76, 446 with an approved percentage of 10 percent will be multiplied by the service period.

| Length of Service Agreement | Formula | Incentive Amount |
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| 4 years | $\$76,446 \times 10\% = 7644.60 \times 4 \text{ years}$ | \$30,578 |

3.5.4. The new duty location must be 50 or more miles from the worksite of the position held immediately before the move. If the new duty location is less than 50 miles from the old duty station held immediately before the move, but the employee must relocate to accept the position, the approving official may waive the 50 mile requirement. Determination will be made on a case by case basis.

3.5.5. The relocation incentive must be approved before the employee enters on duty in the position at the new duty location, reflected by the effective date stated on Standard Form (SF)-50, Notification of Personnel Action.

3.6. GROUP RELOCATION INCENTIVE. An approving official may waive the requirement to make a case-by-case determinations and approve group relocation incentives when an employee is a member of a group of employees subject to a mobility agreement and the

incentive is necessary to ensure continuation of operations or when a major organizational unit is relocated to a new duty station and the relocation incentives will ensure continued operations of that unit without undue disruption to operations or functions deemed essential to DCMA's mission.

3.6.1 Group relocation decisions must be supported by written determinations that specify the group of covered employees, the conditions requiring the group incentive, and the period of time during which authorization of the group incentive is valid.

3.6.2 Groups of employees must be approved for relocation incentives using the same criteria that apply to individuals.

3.7. RELOCATION INCENTIVE REQUEST. The request package will be forwarded through the chain of command to the FSC business partner for review and recommendation prior to submission to the approving official.

3.7.1. The following documentation must be submitted when requesting approval to grant a relocation incentive:

3.7.1.1. Memorandum to the appropriate approving official requesting approval to offer the relocation incentive. The memorandum must state that the position is likely to be hard-to-fill and provide a justification supporting the likely to be hard-to-fill determination (i.e., previous recruitment efforts for similar positions yielded no qualified candidates, high turnover in this or similar position over the past 24 months, etc.), contain the criteria from paragraph 3.5.1 used to make the determination an incentive should be offered, detail the reasons for determining the amount and timing of the payments, and include the reasons for determining the length of the service period.

3.6.1.2. The request package must also include copies of the vacancy announcement, referral list, position description, latest appraisal, the selectee's resume, and any other documentation that management deems essential in supporting their request for this incentive. Access to the referral list and other supporting documentation may be requested by the FSC business partner during the review to support the recommendation.

3.7.1.3. Affirmation that the employee's new position is in a different geographic area (i.e., 50 or more miles away) than the worksite of the position held immediately before the move; or affirmation that the 50-mile requirement was waived.

3.7.2. The HC recommendation will be forwarded to the approving official along with the request package.

3.8. RELOCATION INCENTIVE PAYMENT.

3.8.1. Before receiving the incentive the employee must meet the following conditions:

3.8.1.1. The employee must sign a service agreement.

3.8.1.2. The employee must establish a residence in the new geographic area and provide proof of new residence. Example of proof of establishing residence for a permanent move would be a rental agreement or lease agreement (foreign language is acceptable for outside the continental United States (OCONUS) locations), home purchase documentation, utility bills, driver's license, or temporary lodging receipts. For employees on temporary assignments occupying government provided living arrangements (i.e, deployments), the Foreign Allowances Application, Grant and Report standard form SF-1190 will be used as documentation of establishing and maintaining residence. Employees may be required to provide proof of residence periodically throughout the service agreement. The Request for Personnel Action (RPA) submitted for the incentive must include affirmation that the employee established a residence in the new geographic area.

3.8.2. The employee must maintain residency for the duration of the service agreement to continue receiving the relocation incentive.

3.8.3. Authorized payments will be made in lump sum at the beginning of the service period, in equal or variable installments, or as a final lump sum payment as stated in the signed agreement. Should the employee fail to fulfill the terms of the agreement or be removed for cause, the agency will require repayment of the incentive on a pro-rated basis.

3.9. RECRUITMENT AND RELOCATION INCENTIVE SERVICE AGREEMENT.

Before receiving a recruitment or relocation incentive, the employee is required to sign a service agreement. The service agreement must specify all of the below criteria:

3.9.1. The service period of the agreement (in months and years) and the total amount authorized for payment. For incentives approved for a position with an overseas duty location, the service agreement length may not exceed the initial tour of duty for the assignment but may provide language in the service agreement to continue the incentive for a specified time upon tour extension.

3.9.2. The actual beginning and ending dates of the service period. The service must begin on the first day of an employee's service with the organization and end on the last day of a pay period. There are two exceptions:

3.9.2.1. If the employee does not begin work on the first day of a pay period, the service period will begin on the first day of the next pay period; or

3.9.2.2. If the employee is required to complete a probationary period or an initial period of formal training, the employee's service period may be delayed until the beginning of the pay period following the completion of the probationary or training period. Since the authorized management official must approve the incentive before the employee enters on duty, the service agreement must specify that there is no obligation to pay any portion of the incentive if the employee does not successfully complete the probationary period or the training.

3.9.3. The method of payment(s), whether the payments will be in installments, and if so, the date and amount of each installment payment.

3.9.4. The limits of the new geographic area must be defined in the service agreement for the purpose of determining whether an employee maintains residency in that geographic area for relocation incentives per paragraph 3.6.13.

3.9.5. The conditions under which the agreement must or may be terminated. Service agreements will terminate when an employee is demoted, separated for cause, or receives less than a fully successful or equivalent rating of record, or when the employee moves to a different position (if the different position is outside the terms of the service agreement). In addition, the authorizing management official may unilaterally terminate the agreement based solely on management needs such as reduction in force or insufficient funds. For relocation incentives, management will terminate the incentive if the residence is not maintained at the new geographic location for the duration of the service agreement.

3.9.6. The extent to which periods of time on detail, in a nonpay status, or in a paid leave status are creditable towards completion of the service period.

3.9.7. Failure to complete the required service agreement may have financial consequences as follows:

3.9.7.1. If the employee fails to fulfill the requirements of the service agreement based on being demoted or separated for cause (i.e., for unacceptable performance or conduct), or receives a rating of record (or an official performance appraisal or evaluation) of less than fully successful or an equivalent rating, or fails to fulfill the terms of the service agreement, he/she must reimburse the DCMA, on a prorated basis for all monies paid under the incentive that was in excess of the amount attributable to completed service.

3.9.7.2. If the authorizing official unilaterally terminates a service agreement based on a management need, the employee is entitled to all incentive payments already received.

3.9.7.3. An employee is not entitled to any accrued, unpaid amount attributable to completed service unless required by the terms of the service agreement.

3.9.8. The employee must be notified in writing that his/her service agreement is terminated. The employee is entitled to receive any scheduled incentive payments through the end of the pay period in which the written notice is provided or until the date of separation if later.

3.9.9. Employees may not grieve or appeal decisions to terminate the agreement.

3.9.10. The debt collection process for continuing employees is outlined in Volume 8 of DoD 7000.14-R, DoD Financial Management Regulation (Reference (f)). The process for individuals no longer in Government service is found in Volume 5 of (Reference (f)).

3.10. RETENTION INCENTIVE. A retention incentive may be offered to retain a current employee when it is determined that the unusually high or unique qualifications of the employee or a special need of DCMA for the employee's services makes it essential to retain the employee, and the employee would be likely to leave the Federal service in the absence of an incentive.

3.10.1. The following must be considered when determining whether to grant an individual retention incentive:

3.10.1.1. The availability and quality of candidates, who with minimal training, could perform the duties of the position;

3.10.1.2. The availability and quality of candidates that are identified in any DCMA succession plan who possess the competencies required for the position and with minimal training, could perform the duties of the position;

3.10.1.3. The success of recent efforts to recruit and retain employees with similar competencies;

3.10.1.4. Special or unique competencies required for the position;

3.10.1.5. Organizational efforts to use non-pay authorities to help retain employee (e.g., worksite alternatives and work scheduling flexibilities);

3.10.1.6. The desirability of the work, organizational environment, or geographic location of the position;

3.10.1.7. Salaries paid for similar positions outside the Federal government;

3.10.1.8. The extent to which the employee's departure would affect the organization's ability to carry out an activity, perform a function, or complete a project deemed mission-essential; and

3.10.1.9. Other supporting factors.

3.10.2. A retention incentive may be approved for up to 25 percent of an employee's annual basic pay which includes either locality pay or special rate supplement. The total dollar amount of the incentive will not exceed the authorized amount up to 25 percent of the employee's salary at the time of approval.

3.10.3. The percentage of the incentive will be determined based on one or more of the criteria listed in paragraph 3.10.1.

3.10.4. Retention incentives will be paid on a bi-weekly installment basis at the same retention incentive percentage rate up to 25 percent.

3.10.5. A retention incentive may not be approved prior to a selectee's employment with the DCMA.

3.11. GROUP RETENTION INCENTIVE. Group retention incentives may be approved to target a group of current employees when it is determined that the unusually high or unique qualifications of the group or a special need of DCMA for the group's services makes it essential

to retain the employees, and there is a high risk that a significant number of the employees in the group would be likely to leave the Federal service in the absence of an incentive.

3.11.1. The approving official will narrowly define the group and consider one or more of the following: occupational series, grade level, distinctive job duties, unique competencies required for the positions, assignment to a special project, minimum service requirements, organization or team designation, geographic location, or other factors deemed essential by the organization.

3.11.2. Group retention incentives may be up to 10 percent of an employee's rate of basic pay. The percentage of the incentive will be determined based on one or more of the criteria listed in paragraph 3.11.1.

3.11.3. The requirement to obtain higher-level approval does not apply when approving coverage of individual employees under a previously approved group retention incentive.

3.12. RETENTION INCENTIVE REQUEST. Sponsoring Component Head will forward retention incentive request to the FSC business partner for review and recommendation to the Executive Director, HC. The Executive Director, HC recommendation will be forwarded to the Director, DCMA along with the request package. The following documentation must be submitted when requesting approval to offer a retention incentive:

3.12.1. A memorandum forwarded through the appropriate chain of command addressed to the Director, DCMA requesting approval to offer the retention incentive. The memorandum must address:

3.12.1.1. The unusually high or unique qualifications of the employee (or group of employees), or the special need of the organization for the employee's (or group of employees') services that make it essential to retain the employee(s);

3.12.1.2. The basis for determining that in the absence of this incentive the employee or a significant number of a targeted group of employees would likely leave the Federal service. ~~including the employee's future potential worksite;~~

3.12.1.3. The criteria from paragraph 3.10.1 or 3.11.1 used to make the determination an incentive should be offered and the basis for the percentage requested; and

3.12.1.4. The length of the service period required and the basis for determination.

3.12.2. The request package must also include copies of the position description, documentation supporting unique qualifications or special need, latest appraisal, ~~a copy of the job offer or~~ documentation of retirement application submitted or basis for determining a significant number of a targeted group of employees, and any other document that management deems essential in supporting their request for this incentive such as ~~external job offer,~~ *above normal attrition rates, civil sector employment opportunities and compensation, and unique skills possessed by the employee or group of employees, deemed critical to the Agency's mission.*

3.13. RETENTION INCENTIVE REVIEW AND TERMINATION.

3.13.1. The Component Head will conduct annual reviews of all approved retention incentives, adjust payment amounts as warranted, and record the results of this review in writing. Copies of annual reviews will be forwarded to the Director of Policy and Strategic Planning Division, HC.

3.13.2. Retention incentives must be terminated when an employee moves to a different position, an employee is demoted or separated for cause, or the employee receives a rating of record of less than fully successful or equivalent.

3.13.3. Retention incentives must be reduced or terminated whenever payment at the level originally approved is no longer warranted. Factors to consider include the following:

3.13.3.1. Amount, if any, necessary to retain the employee;

3.13.3.2. Availability of qualified candidates;

3.13.3.3. The need for the employee's services has been sufficiently reduced;

3.13.3.4. Budget conditions; and

3.13.3.5. Other supporting factors.

3.13.4. The Component Head may terminate a retention incentive authorization based solely on the management needs of the DCMA, even if the conditions giving rise to the original determination to the incentive still exists.

3.13.5. If the retention incentive is reduced or terminated the employee must be notified in writing.

3.14. RETENTION INCENTIVE DURING A CLOSURE OR RELOCATION. Retention incentives can be offered in a closure or relocation situation when it is determined that:

3.14.1. Given the organization's mission requirements and the employee's competencies, the organization has a special need for the employee's services that makes it essential to retain the employee in his/her current position during a period of time before the closure or relocation of the employee's office, facility, activity, or organization; and

3.14.2. In absence of a retention incentive, the employee would be likely to leave for a different position in the Federal service (including a position in another Federal agency, a position in another DoD Component, or a different position in DCMA) as evidenced by the employee's affirmation or any additional supporting documentation.

3.14.3. Incentives may be authorized only when the employee has received a general or specific written notice from the organization that his or her position may or would be affected by

the closure or relocation of the office, facility, activity, or organization.

3.14.4. Incentives may be up to 25 percent of an employee's annual rate of basic pay.

3.14.5. The written determination must include the below:

3.14.5.1. The reasons for determining the amount of the incentive and length of service period;

3.14.5.2. The extent to which the employee's departure to a different position in the Federal service would affect the organization's ability to carry out an activity, perform a function, or complete a project the organization deems essential to its mission before and during the closure period (e.g., the need to ensure minimal disruption in the performance of mission-critical functions or provide an essential service to the public, the need for continuity in key operations, the need to train employees who will move with the organization, or the need to assist with the actual closure or relocation);

3.14.5.3. The competencies possessed by the employee that are essential to retain; and

3.14.5.4. The agency for which the employee would be likely to leave in the absence of the retention incentive. Documentation of the agency for which the employee would likely to leave also must address the gaining agency's geographic location. If the employee is likely to leave for a different position in a DoD Component, the documentation should identify the gaining DoD Component.

3.14.6. A retention incentive may only be approved when the employee's rating of record for the position held immediately before the move is at least fully successful or equivalent.

3.14.7. The service agreement and payment of retention incentive approved due to closure or relocation must follow the payment of retention incentives and service agreement requirements IAW DoD Memo, "Implementation of Enhanced Retention Incentives Authorities" (Reference (g)).

3.15. SUPERIOR QUALIFICATIONS (COMMONLY REFERRED TO AS ADVANCED IN-HIRE RATE). When filling a position, this incentive may be used to set the pay for individuals who are accepting their first appointment as a civilian employee of the Federal Government, a previous employee who is being reappointed after a break in service of 90-days or longer, or for a reappointment without requiring a 90-day break in service if the selectee's civilian employment with the Federal Government during the 90-day period immediately preceding the appointment was limited to the conditions in part 531.212(a)(3) of Title 5, CFR, "Superior Qualification and Special Needs Pay-Setting Authority" (Reference (h)).

3.15.1. The possibility of authorizing a recruitment incentive must be considered prior to determining the use of the superior qualifications authority and the salary step.

3.15.2. The criteria for granting this incentive are as follows:

3.15.2.2. The candidate has superior qualifications based on the level, type, or quality of

the candidate's skills or competencies demonstrated or obtained through experience and/or education, the quality of the candidate's accomplishments compared to others in the field, or other factors that support a superior qualifications determination.

3.15.2.2. The agency has a special need that exists and the candidate possesses the type, level, or quality of skills and competencies or other qualities and experiences that are relevant to the requirements of the position and are essential to accomplishing an important agency mission, goal, or program activity. An individual may also meet the special needs criteria by meeting agency workforce needs, as documented in the agency's strategic human capital plan. (See Section 531.212 (b) Title 5, CFR (Reference h)).

3.15.3. The employee's salary may be set up to step 10 of the grade. One or more of the following factors will be considered and documented when determining the pay rate.

3.15.3.1. The level, type, or quality of the candidate's skills or competencies;

3.15.3.2. The candidate's existing salary, recent salary history, or salary documented in a competing job offer (taking into account the location where the salary was or would be earned and comparing the salary to payable rates of basic pay in the same location);

3.15.3.3. Significant disparities between Federal and non-Federal salaries for the skills and competencies required in the position to be filled;

3.15.3.4. Existing labor market conditions and employment trends, including the availability and quality of candidates for the same or similar positions;

3.15.3.5. The success of recent efforts to recruit candidates for the same or similar positions;

3.15.3.6. Recent turnover in the same or similar positions;

3.15.3.7. The importance/criticality of the position to be filled and the effect on the agency if it is not filled or if there is a delay in filling it;

3.15.3.8. The desirability of the geographic location, duties, and/or work environment associated with the position;

3.15.3.9. Agency workforce needs, as documented in the agency's strategic human capital plan; or

3.15.3.10. Other relevant factors.

3.16 SUPERIOR QUALIFICATIONS REQUEST. The sponsoring component will forward the superior qualifications request to the FSC business partner for review and recommendation to the Executive Director, HC. The Executive Director, HC recommendation will be forwarded to the Director, DCMA along with the request package. The following documentation must be submitted when requesting approval of a superior qualifications appointment:

3.16.1. For a request based on superior qualifications, the memorandum must address the following:

3.16.1.1. The superior qualifications of the individual providing a clear nexus of how the selectee's skills, competencies, experience, education, and/or accomplishments are significantly higher than that needed to be minimally required for the position and be of a significantly higher quality compared to other candidates and are relevant to the requirements of the position to be filled;

3.16.1.2. The specific justification for the rate of pay for which the employee's pay is being set; and

3.16.1.3. The reason for authorizing a higher minimum rate instead of or in addition to a recruitment incentive.

3.16.2. For a request based on the agency's special need for the candidate's services, the memorandum must identify the special requirement and articulate how or why the type, level, or quality of skills and competencies or other qualities and experiences possessed by the candidate are relevant to the requirements of the position and are essential to accomplishing an important agency mission, goal, or program activity; and the reason for authorizing a higher minimum rate instead of or in addition to a recruitment incentive.

3.16.3. The memorandum, or approval if requested rate is changed, must include an explanation of the factor(s) under paragraph 3.12.2 and supporting documentation which was used to justify the rate at which the employee's pay is set and how the factors relate to the rate approved.

3.16.4. Copies of the position description, the selectee's resume, documentation supporting the employee's unique qualifications, and any other document(s) that management deems essential in supporting the incentive request. The request package must also include copies of the vacancy announcement, referral list, selectee's last pay stub or military leave and earnings statement (LES), and any other documentation that management deems essential in supporting their request for this incentive. Access to the referral list and other supporting documentation may be requested by the FSC business partner during the review to support the recommendation.

3.17. STUDENT LOAN REPAYMENT. An offer of student loan repayment may be used to recruit or retain highly qualified candidates. The criteria for granting this incentive are as follows:

3.17.1 In cases where the authorization for recruitment exists, the manager must determine that the agency would encounter difficulty in filling the position with a highly qualified candidate and the selectee is highly qualified. This incentive may not be used to recruit current Federal employees from other agencies. The incentive must be approved before the employee enters on duty in the position, reflected by the effective date stated on the SF-50, Notification of Personnel Action.

3.17.2. If using this incentive for retention purposes, the current employee is determined to be highly qualified and would likely leave for employment outside the Federal service and it is essential to retain the employee based on the employee's high or unique qualifications or a special need of the agency.

3.17.3. The requesting official must verify the amount of previous student loan repayments, if any, made by the DoD on the recipient's behalf prior to submitting a student loan agreement for approval.

3.17.4. The incentive may be approved for up to \$10,000 per calendar year, subject to a cumulative maximum of \$60,000 per employee.

3.17.5. Student loan repayment may be paid in conjunction with recruitment, relocation and retention incentives. Loan repayments are made directly to the loan holder. DCMA will not make a loan repayment or reimburse a student for a loan that was previously repaid by the student.

3.17.6. Before receiving this incentive, the employee must sign a service agreement stating that he/she will remain in service with the DCMA for a period of at least 3 years.

3.17.7. An employee must reimburse the paying agency for all payments received if he/ she is separated voluntarily or separated involuntarily for misconduct, unacceptable performance, or a negative suitability determination under Part 731 of Title 5, CFR, "Suitability" (Reference (i)). In addition, an employee must maintain at least a fully successful level of performance in order to continue to receive repayment benefits.

3.17.8. The employee's debt may be waived, in whole or in part, if the approving official determines that recovery would be against equity and good conscience, or against the public interest.

3.18. STUDENT LOAN REPAYMENT REQUEST. The sponsoring component will forward the student loan repayment request to the FSC business partner for review and recommendation to the Executive Director, HC. The Executive Director, HC recommendation will be forwarded to the Director, DCMA along with the request package. The following documentation must be submitted when requesting approval to grant a recruitment incentive:

3.18.1. Memorandum of recommendation from the selecting official to the Director, DCMA documenting that in the absence of offering a loan repayment benefits, DCMA would encounter difficulty either in filling the position with a highly qualified candidate or retaining a highly qualified employee in that position and the selectee or employee is highly qualified.

3.18.2. The request package must also include copies of the employee's resume, position description, employee's latest appraisal, and any other document(s) that management deems essential in supporting the incentive request.

3.19. ANNUAL LEAVE ACCRUAL CREDIT FOR PRIOR NON-FEDERAL OR

CERTAIN MILITARY SERVICE. Service credit may be granted as a recruitment incentive to employees being appointed to their first job in the Federal Government, or reappointed after a break in service of 90 days or more for prior non-federal service and active duty uniformed service that otherwise would not be creditable for the purpose of determining the annual leave accrual rate. Annual leave accrual credit is a hiring incentive that may be offered. There is no entitlement to receive credit for non-Federal service or active duty uniformed service granted under this provision. This incentive may be used to attract highly qualified candidates into hard-to-fill or mission critical positions.

3.19.1. The following factors will be considered before requesting a creditable annual leave accrual rate incentive be granted:

3.19.1.1. The currency and relevancy of the experience to be credited to the position being filled;

3.19.1.2. The criticality of the position to the organization's mission;

3.19.1.3. The difficulty in filling the position; and

3.19.1.4. The existing capabilities to attract candidates to the position.

3.19.2. The criteria for granting this incentive are as follows:

3.19.2.1. The skills and experience of the selectee are essential to the new position and were required through performance of duties in a non-Federal position or an active duty uniformed services position that directly relate to the duties of the position for which the individual has been selected; and

3.19.2.2. The skills and experience of the employee is necessary to achieve an important mission or performance goal.

3.19.2.3. Credit for uniformed service work experience must be under honorable, active duty, uniformed service conditions.

3.19.3. Service credit must be approved before the employee enters on duty in the position, reflected by the effective date stated on the SF-50, Notification of Personnel Action.

3.20. SERVICE CREDIT DETERMINATION. When approved, service credit will be computed in terms of years and months on a one-for-one (month-for-month) basis for all service creditable under these provisions. The minimum amount of service that may be credited is one year. The amount of service credited may not exceed the actual amount of service during which the current expertise was attained and the directly related duties were performed.

3.20.1. The service credit remains creditable for annual leave purposes after the employee completes one full year of continuous service with the DoD. Service credited under this provision is not creditable for retirement or reduction in force.

3.20.2. Service credited pursuant to this instruction will be part of the SCD-Leave calculation and will be noted on SF 144A, Statement of Prior Service-Worksheet, or other equivalent form. The documentation relied upon as proof or verification of creditable service must be attached to the SF 144A or equivalent.

3.20.3. An employee who separates from Federal service or transfers to another Federal agency (outside the DoD) before completing one full year of continuous service with the DoD is not entitled to retain service credit for non-Federal or Military Service experience credited IAW this instruction.

3.20.3.1. Prior to processing the personnel action that separates the employee from Federal service or transfers the employee to another Federal agency, AST will adjust the SCD-Leave by subtracting the credit that was granted for the non-Federal and/or Military Service experience and document the change in service credit on the SF-50, Notification of Personnel Action.

3.20.3.2. All unused annual leave accrued and accumulated by an employee pursuant to this provision remains credited to the employee after the adjustment to the SCD-Leave. The remaining annual leave balance must either be transferred to the new Federal agency if the employee is transferring to a position to which annual leave may be or paid in a lump-sum payment if the employee is separating from Federal service or moving into a position to which annual leave cannot be transferred.

3.20.3.3. If an employee is placed in a leave without pay status during the required 1-year period of continuous service, the continuous service requirement is extended by the amount of time the employee is in a leave without pay status. However, if the employee's absence is due to active duty Military Service or a compensable injury, the period of leave without pay is credited as though the employee had remained in a pay and duty status.

3.21. CREDITABLE ANNUAL LEAVE ACCRUAL RATE INCENTIVE REQUEST. The sponsoring component will be forwarded the request to the FSC business partner for review and recommendation to the Executive Director, HC. The Executive Director, HC recommendation will be forwarded to the Director, DCMA along with the request package. The following documentation must be submitted when requesting approval for service credit:

3.21.1. A memorandum of recommendation from the selecting official addressing the amount of service credit requested, how the duties in the selectee's experience relates to the position being filled for each period of service that credit is requested, and explain how the duties are at a level of complexity directly related to the position being filled.

3.21.2. The request package must also include the position description of the position being filled; vacancy announcement; selectee's resume which must clearly document the length (specific beginning and ending dates) and nature of the service to be credited showing that the duties performed directly relate to those of the position being filled; in the case of creditable Military Service Credit, a copy of the employee's DD Form 214, Certificate of Release or Discharge from Active Service; or, if the DD 214 cannot be obtained, other official documentation from the Military Service concerned of the employee's honorable, active duty service; and any

other document(s) that management deems essential in supporting the incentive request.

3.22. ACCOUNTABILITY. Approving officials will retain copies of the approved request package, supporting documentation, and the service agreement of all incentives for a period of 3 years after the end of the service period unless a dispute has been raised regarding the agreement. If a dispute arises, packages are to be retained for 3 years from the date of resolution of the dispute.

GLOSSARY

DEFINITIONS

Agency. An executive agency or a legislative branch agency included in 5 United States Code (U.S.C.) 5102(a)(1).

Approving Official. The head of an agency or an official that is authorized to act for the head of the agency in the matter concerned.

Competencies. The knowledge, skills, abilities, behaviors, and other characteristics an employee needs to perform the duties of a position.

Component Head. The leader of a DCMA organization that reports directly to the Director.

Federal Government. All entities of the United States Government, including the United States Postal Service and the Postal Regulatory Commission.

Newly Appointed. Refers to:

- a. The first appointment, regardless of tenure, as an employee of the Federal Government;
- b. An appointment of a former Federal Government employee following a break in Federal Government service of at least 90 days; or
- c. An appointment of an individual in the Federal Government when his or her service in the Federal Government during the 90-day period immediately preceding the appointment was limited to one or more of the following:
 - (1) A time-limited appointment in the competitive or excepted service;
 - (2) A non-permanent appointment (excluding a Schedule C appointment under 5 CFR part 213) in the competitive or excepted service;
 - (3) Employment with the Government of the District of Columbia (DC) when the candidate was first appointed on or after October 1, 1987;
 - (4) An appointment as an expert or consultant under 5 U.S.C. 3109 and 5 CFR part 304;
 - (5) Employment under a provisional appointment designated under 5 CFR 316.403; or
 - (6) Employment under the Student Career Experience Program under 5 CFR 213.3202(b).

Rate of Basic Pay. The rate of pay fixed by law or administrative action for the position to which the employee is relocated before deductions and including any special rate under 5 CFR part 530, subpart C, or similar payment under other legal authority, and any locality-based comparability payment under 5 CFR part 531, subpart F, or similar payment under other legal

authority, but excluding additional pay of any other kind. For example, a rate of basic pay does not include additional pay such as night shift differentials under 5 U.S.C. 5343(f) or environmental differentials under 5 U.S.C. 5343(c)(4).

Service Agreement. A written agreement between an agency and an employee under which the employee agrees to a specified period of employment of not more than 4 years with the agency under the terms of the agreement.

GLOSSARY

ACRONYMS

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|-----------|-----------------------------|
| AST | Army Servicing Team |
| CFR | Code of Federal Regulations |
| DCMA-INST | DCMA Instruction |
| FSC | Field Support Center |
| GS | general schedule |
| HC | Human Capital |
| IAW | in accordance with |
| SF | Standard Form |
| U.S.C. | United States Code |